



## Authors

Daria Efanova  
Head of Research

---

FRI 28 JULY 2023 00:10

# Daily Base Metals Report

US stocks strengthened later in the day after US economic growth data pointed to continued resilience in the face of further tightening from the Fed. Despite the calls from policymakers yesterday to keep options open for another hike later this year, the market began to price in the pivot from the central bank as soon as March next year. US GDP came in higher than expected in Q2, growing by a 2.4% annualised rate on the back of consumer resilience, the biggest component of the economy. This has once again reaffirmed the possibility of a “soft landing” this year. Meanwhile, US pending home sales rose unexpectedly in June, given the ongoing supply challenges. The dollar jumped to test the 102 level, and the 10yr US Treasury yield edged higher. Meanwhile, the ECB also increased its interest rate by 25bps, bringing the deposit rate to 3.75%; the lack of clarity regarding the September meeting meant that forward swaps are still pricing in 17bps worth of a hike.

Base metals' gains were reversed later on in the day on the back economic data releases; day-on-day, the softness was marginal. Aluminium fell to test the support of \$2,205/t before closing slightly above it at \$2,205/t. Likewise, copper broke below the \$8,600/t level to \$8,569/t. Meanwhile, lead struggled to break below \$2,150/t, closing at \$2,158/t. Zinc closed at \$2,454/t. Longer-term support levels continue to hold firm, and we expect to see continued drift across the base metals space in the near term. Still, with most central bank decisions now out of the way under late September, this should give the market some breathing room to assess the impact of the latest hikes, and we expect the focus to shift back to China's stimulus story.

Oil futures jumped higher, whereas precious metals erased gains made earlier this week, with gold and silver now trading at \$1,946/oz and \$24.21/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2215	2245	2197	2205	2208	15020	674053	-43.74	100.02
Copper	8618	8700	8531	8569	8604	15584	275375	-35.50	388.46
Lead	2147	2175	2147	2158	2145	5070	120396	-2.50	97.91
Nickel	21580	21965	21475	21689	21570	2358	151746	-250.00	980.45
Tin	29090	29875	28500	28680	29025	780	15509	133.00	1301.14
Zinc	2480	2534	2450	2454	2470	10401	197599	2.50	111.47
					<b>Total:</b>	<b>49213</b>	<b>1434678</b>		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2176	2220	2368.5	2487.5	2169.5	2213	2149.631579	2195.342105	
Copper	8578.5	8620	8659.25	8669.25	8577.25	8617.5	8427.526316	8448.210526	
Lead	2170	2173	2175	2193	2140.75	2152	2101.973684	2100.684211	
Nickel	21395	21645	22677	23602	21340	21590	20820.52632	21063.68421	
Tin	29450	29450			29155	29010	28743.42105	28344.47368	
Zinc	2485	2487	2477	2482	2464.1	2473.5	2383.868421	2398.789474	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	514025	325	3350	-3025	511000	226600	284400	Comex, USc/lb		
Copper	60700	1575	25	1550	62250	500	61750	JUL 23	380.3 -0.38	
Lead	52100	875	0	875	52975	2725	50250	SEP 23	381.8 -0.43	
Nickel	37590	0	0	0	37590	1794	35796	Shanghai, CNY/mt		
Tin	5050	80	0	80	5130	25	5105	23-Aug	68370 -0.38	
Zinc	87950	8325	200	8125	96075	26175	69900	23-Sep	68210 -0.44	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	16406	1.70	GBP	1.2869	-0.5564	Gold	1947.02	-1.2702	1972	1966.30
DJI	35550	0.08	JPY	141.0200	-0.5531	Silver	24.22	-2.8403		2467
S&P500	4591	0.52	EUR	1.0998	-0.7938	Gold Comex	1985.7	-1.184		
SSE	3217	-0.20	CNY	7.1660	-0.3196	Platinum	941.39	-2.6756		
Hg Seng	19639	1.41	AUD	0.6740	-0.2664	Palladium	1242.47	-1.6644		
Brent	84	1.23	CAD	1.3198	0.0758					

Source: Bloomberg  
Updated: 27/07/2023 17:30

All price data is from 30.07.2023 as of 17:30

## Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers ([www.sucdenfinancial.com/en/risk-warning-and-disclaimers](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).